

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

**IN THE MATTER OF: TOM SMITH AND
DESIGNED4HITS.**

FILE NO. 0300944

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS: Tom Smith
3932309 Spring Court
Spring Road, Hale
Cheshire, WA142UQ, UK

Designed4Hits
83 London Road,
Northwich, Cheshire, CW9 5HQ,
United Kingdom

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein finds:

BACKGROUND FACTS

1. Respondent, Tom Smith, (hereinafter "Respondent #1") has a last known address of 3932309 Spring Court, Spring Road, Hale; Cheshire, WA142UQ, United Kingdom.
2. Respondent, Designed4Hits (hereinafter "Respondent #2") has a last known address of 83 London Road, Northwich, Cheshire, CW9 5HQ, United Kingdom
3. At all times relevant to this Temporary Order of Prohibition, Respondent #1 was Managing Director of Respondent #2, Designed4Hits, a design and marketing agency.
4. Complainant, Helen Brown, (hereinafter "Complainant") is an Illinois resident.

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Count 1: Failure to Register Securities

- 5 Between April of 2001 and April of 2002, Respondents repeatedly solicited Complainant to purchase shares of Designed4Hits.
6. In April of 2002 Complainant agreed to purchase from Respondent #1 5% of Designed4Hits' shares amounting to \$4,000.
- 7 In April of 2002 Complainant wired a \$4,000 payment to the personal bank account of Respondent #1's wife, in accordance with Respondent #1's instructions to Complainant.
8. To date, after wiring her payment as instructed, Complainant has yet to receive any certificates from Respondents or any documentation from Respondents indicating that she owns the shares she purchased in April of 2002.
9. The activities described above constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
10. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
- 11 Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
12. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("the Act") provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
13. By virtue of the foregoing, Respondents violated 12.D of the Act.

Count 2: Fraud

14. Paragraphs 1-9 of Count I are realleged and incorporated by reference and are fully set forth herein.
15. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("the Act") provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of

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securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

16. By virtue of the foregoing, Respondents violated 12 F of the Act.
17. Section 11.F(2) of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.* ("the Act") provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend for a maximum period of 90 days, by an order effective immediately, the registration of a salesperson, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of this Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Tom Smith and Designed4Hits** are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 8th day of November 2005


JESSE WHITE
Secretary of State
State of Illinois

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